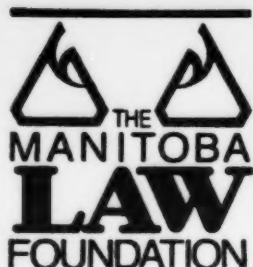


Third Annual Report 1988-1989



LA FONDATION MANITOBAINE DU DROIT



**THE MANITOBA LAW FOUNDATION
LA FONDATION MANITOBAINE DU DROIT**

89-05921/

412 McDermot Avenue
Winnipeg, Manitoba R3A 0A9
Telephone 947-3142

The Honourable James C. McCrae
Minister of Justice and Attorney General
Department of Justice
Legislative Building
Winnipeg, Manitoba

Dear Mr. Attorney:

RE: Fiscal Year Ended 31 March 1989

I have the honour to submit to you, in accordance with subsection 76(1) of *The Law Society Act* (the "Act"), the third Annual Report of **The Manitoba Law Foundation**.

Financial Statements for the year ended 31 March 1989 were prepared by the Foundation's auditors, Deloitte Haskins + Sells, Chartered Accountants, whose report dated 09 May 1989 is attached to this Annual Report. The Financial Statements were approved by the Foundation's Directors at a meeting of the Board held on 02 June 1989.

I am pleased to set out below some comments on the financial results and other transactions and information regarding the fiscal year just completed.

I. Composition of the Board of Directors

The affairs of the Foundation are administered by a Board of Directors appointed pursuant to the provisions of Section 66 of the Act. The appointment of each of the present members of the Board was made effective 23 October 1986, the date on which the Foundation came into existence. Under the provisions of subsection 68(1) of the Act Directors' terms of office extend for three years and they may be reappointed. The members of the Board are as follows:

- A. Appointed by the Attorney General**
 - Jack R. London, Q.C. (Chairperson)
 - Eleanor Thompson (Vice-Chairperson)
 - Sister Bernadette O'Reilly
 - Victor Schwartzman
 - Marta Smith
- B. Appointed by The Law Society of Manitoba**
 - Knox B. Foster, Q.C.
 - John (Jack) A. Duncan, Q.C.
 - Hymie Weinstein, Q.C.
- C. Appointed by the president of the Manitoba Branch of the Canadian Bar Association**
 - Allan P. Cantor, Q.C.
- D. Appointed by the Dean of the Faculty of Law, University of Manitoba**
 - D. Trevor Anderson, Q.C.

II. Meetings of the Board

Section 73 of the Act requires that the Board meet at least four times annually. The Board normally meets on the second Thursday of each month to conduct its regular business meeting. On or about the last Saturday in May and October special meetings are held to consider grant applications. The Board schedules other special meetings when they are required.

In the past fiscal year the Board met twelve times. It held seven regular business meetings and five special meetings (three times to approve discretionary grants, once to discuss a move to new offices, and a special meeting to discuss public legal education grant funding and other matters).

III. Financial Highlights

A. Revenues

	1987-88	1988-89	Change
Interest on Lawyers' Trust	\$2,541,476	3,469,260	+36.5%
Interest earned on investment	\$ 263,744	341,857	+29.6%
Total Revenues	\$2,805,220	3,811,117	+35.9%

Foundation revenues in the past fiscal year came from two sources: by far the largest source (91%) was interest on lawyers' trust accounts paid to the Foundation pursuant to the provisions of subsection 39 (2) of the Act; the remainder was from interest earned on investments.

The large increase in revenues was due to several elements, not all of which can be precisely quantified. The biggest factor was an increase in the average rate of interest applied by financial institutions to lawyers' general trust accounts. Interest rates applied by most financial institutions fluctuate with the prime commercial lending rate. The prime rate trended upward throughout the fiscal period. Increases in revenues have also resulted from enhanced agreements with financial institutions, a consequence of aggressive negotiations by the Foundation.

B. Operational Costs

The budget for operating expenses for 1988-89, the second full year of normal operations, was \$155,425. Actual operating expenditures were \$161,123. Operational costs were influenced by the fact that the Foundation moved to new office premises during the fiscal year. Moving expenses had not been incorporated into budgeted expenditures. Extraordinary expenditures were incurred, including \$11,776 for leasehold improvements. Projected operating costs for 1989-90 are \$164,340.

C. Investments

Unallocated funds and sums not needed immediately by funded projects and programs were invested. The Foundation earned a total of \$341,857 in interest on investments (including interest accrued but not received). As at the end of the fiscal year the average annualized yield on investment was 10.58%. Prior to the 1988-89 fiscal year all investments matured within twelve months and were made through the Provincial Treasury. Beginning in the fiscal period just ended, the Foundation implemented an investment policy combining the acquisition of low-risk marketable securities maturing within 36 months and investment in the short-term through the Provincial Treasury. Grants are paid first out of interest on investment, thereafter from accumulated surplus and thereafter from current revenues.

D. Capital Reserve

The Board resolved in 1986-87 to set aside \$300,000 for a capital reserve and to add to that amount each year 10% of the revenues from interest paid on lawyers' general trust accounts until such time as the total reserve reaches the amount of \$1.25 million. The purpose of the capital reserve is to provide some stability during periods of revenue reductions. Accordingly, \$346,926 was added to the Capital Reserve in 1988-89 to bring the total amount to \$901,073. This amount is invested in secure investments maturing in periods not exceeding three years.

E. Revenue Projections

Taking into account current economic conditions the Foundation is anticipating a decrease of approximately \$190,000 in revenues from interest on lawyers' trust accounts and an increase of approximately \$49,000 in interest on investments in 1989-90. The Foundation therefore anticipates a net decrease in revenues of \$141,000 and is budgeting on this basis.

IV. Grants

A. Mandatory (legislated) Grant Allocations

1. Under the provisions of subsection 65 (1) of the Act

a. The Legal Aid Services Society of Manitoba

Disbursed	\$1,270,738
Accrued	1,734,630
Total	\$3,005,368

b. The Law Society of Manitoba

Disbursed	\$ 423,664
Accrued	578,326
Total	\$1,001,990

2. Under the provisions of Section 79 and Schedule "B" of the Act

a. The Public Interest Law Centre (Legal Aid Services Society)	\$ 200,000
b. The Legal Aid Clinic (Faculty of Law - University of Manitoba and Legal Aid Services Society)	\$ 60,000
c. Manitoba Association for Rights and Liberties	\$ 25,000
d. The Manitoba Law Reform Commission	\$ 100,000
e. Manitoba Branch of The Canadian Bar Association	\$ 25,000
f. Legal Research Institute of the University of Manitoba	\$ 50,000
g. Law Phone-In Referral Program of The Law Society of Manitoba	\$ 40,000

B. Discretionary Grants under the provisions of subsection 65 (4) of the Act.

Monies available for discretionary grants consist of the surplus at the end of the previous fiscal year after the deduction for mandatory grants, operating expenses, and a contribution to the Foundation's capital reserve fund. To this may be added grants or portions of grants previously approved and subsequently cancelled or returned.

The Foundation received and considered thirty-nine applications for discretionary funding in 1988-89. A budget of \$240,220 for discretionary grants in the fiscal period was fully allocated.

Twenty-three grants were approved in accordance with the objects provided in Section 63 of the Act as follows:

1. LEGAL EDUCATION

a. PUBLIC LEGAL EDUCATION

Canadian Mental Health Association, Winnipeg Division (Legal Education re- garding new legislation)	\$ 17,500.00
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Community Legal Education Association

General Operating Grant	\$ 35,000.00
Teacher Conference Travel Subsidy	\$ 1,256.11

John Howard Society of Manitoba

Public Legal Education Programs Winnipeg	\$ 5,000.00
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Brandon and Area Young Offenders Project	\$ 10,000.00
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L'Institut Joseph Dubuc (Public Legal Education Programs)	\$ 16,000.00
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Legal Education and Action Fund (Manitoba Newsletter)	\$ 1,776.00
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Manitoba Action Committee on the Status of Women, Brandon (Child Sexual Abuse Reference Materials, Rural Distribution)	\$ 1,400.00
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Mediation Services, (Training Program)	\$ 5,000.00
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b. PROFESSIONAL DEVELOPMENT

Canadian Bar Foundation (Canadian Bar Review)	\$ 5,000.00
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Canadian Law Teaching Clinic (General Operating Grant)	\$ 2,000.00
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University of Manitoba, Faculty of Law

Student Competition Support	\$ 7,000.00
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Student Computer Training	\$ 11,445.00
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Fund Raising Campaign - half refundable	\$ 25,000.00
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Graduate Fellowship - 89/90 academic year	\$ 15,000.00
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Manitoba Law Journal (General Operating Grant)	\$ 7,500.00
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Native Law Centre (General Operating Grant)	\$ 10,000.00
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2. LEGAL RESEARCH

University of Manitoba, Faculty of Law
(Legal Archives Maintenance) \$ 3,500.00

Manitoba League of the Physically
Handicapped
(Employment Law Research) \$ 10,000.00

3. LEGAL AID SERVICES

International Centre
(English Legal Glossary for Translators) \$ 4,842.97

4. LAW LIBRARIES

Brandon University
(Acquisitions for Law-Related Curriculum
and Research) \$ 3,000.00

University of Manitoba
(E.K. Williams Law Library) \$ 40,000.00

University of Winnipeg
(Justice and Law Enforcement collection) \$ 3,000.00

v. New Office Premises

From its first year of operation the Foundation rented limited space on generous terms from The Law Society of Manitoba in The Law Society Building at 219 Kennedy Street. It quickly became apparent that a move to larger premises was inevitable as the operations of the Foundation grew. The Foundation was anticipating a move in the summer of 1989, but The Law Society gave notice that it needed immediately for its own purposes the space occupied by the Foundation. The Law Society indicated that it would accommodate the Foundation until suitable new premises could be located, and the Foundation could move prior to the termination of the lease (31 December 1988) without penalty.

The Foundation has been fortunate to sublet office space and to enter into an arrangement to share facilities and equipment with the Social Planning Council of Winnipeg at 412 McDermot Avenue in Winnipeg. On 01 December 1988 the Foundation moved to its new premises.

VI. Chairperson's Comments

The past year, the third in the history of the Foundation, found the Staff and Board continuing their efforts to lay a solid base of policy and practice for the future.

On the revenue side, annual negotiations with the major financial institutions, our sources of IOLTA (Interest On Lawyers' Trust Accounts) income, proved interesting and successful. Advances were made both in rates of yield to the Foundation and in the timing and efficiency of IOLTA receipts. Moreover, the Board established a code of safe and practical investment policies which have been entrusted to the capable hands of our Executive Director. In the result, revenues rose substantially. At the same time, the Foundation maintained its concurrent objectives of security of capital, rewarding but realistic investment terms and a fiscal program which allows the Foundation inevitably to discharge its obligations. Once again the capital reserve grew significantly.

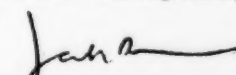
On the expenditure side, the Board continued its practice of ensuring that major, deserving legal institutions, such as the Faculty of Law at the University of Manitoba, and the Public Interest Law Centre of the Legal Aid Services Society of Manitoba, received strong support. Concurrently the Board sought out and supported innovative programs from community groups perhaps less institutionally organized and secure.

The Foundation Staff — Executive Director, Dr. William Greenaway, and Administrative Assistant, Ms Gini Lauder — continued to perform superlatively. The Foundation's systems are now essentially in place and organized. The Board of the Foundation owes much to its Staff as does the beneficiary community served by the Foundation.

It is important to note that 31 March 1989 marked the last day on which the Foundation was required to operate under the terms of the Memorandum of Understanding (Schedule "B" to *The Law Society Act*) entered into between the Attorney General and The Law Society of Manitoba when the Foundation was established. That Agreement has regulated the discretionary granting activities of the Foundation during the first three years of its existence. As of 01 April 1989, the Foundation stands on its own, subject only to the requirements of the legislation itself.

In the coming fiscal year, the Board faces new challenges; none greater than to identify new and innovative programs and less established, but needy, beneficiaries amongst whom to distribute discretionary resources. The Foundation is committed to further development of a partnership between itself, the financial institutions from whom we receive revenue and the community of agencies, organizations and individuals who utilize those funds. Together we will continue to forge a strong, dynamic and vibrant legal environment in the Province of Manitoba.

All of which is respectfully submitted.


JACK R. LONDON, Q.C.
Chairperson
02 June, 1989

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(204) 949-1370
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AUDITORS' REPORT

To the Board of Directors of
The Manitoba Law Foundation:

We have examined the balance sheet of The Manitoba Law Foundation as at March 31, 1989 and the statement of revenue, expenditures, grants and unallocated revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1989 and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Chartered Accountants

May 9, 1989

BALANCE SHEETMARCH 31, 1989

	<u>1989</u>	<u>1988</u>
<u>ASSETS</u>		
CASH	\$ 63,784	\$ 163,540
SHORT-TERM INVESTMENTS - at cost - Schedule 2	3,638,581	2,377,603
ACCRUED INTEREST ON INVESTMENTS	<u>116,870</u>	<u>47,890</u>
	<u>\$3,819,235</u>	<u>\$2,589,033</u>
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE	\$ -	\$ 2,967
GRANTS ALLOCATED UNDISBURSED - Schedule 1	<u>2,388,049</u>	<u>1,794,613</u>
	2,388,049	1,797,580
RESERVE FOR FUTURE GRANTS (Note 3)	901,074	554,148
UNALLOCATED REVENUE	<u>530,112</u>	<u>237,305</u>
	<u>\$3,819,235</u>	<u>\$2,589,033</u>

THE MANITOBA LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE

YEAR ENDED MARCH 31, 1989

	<u>1989</u>	<u>1988</u>
REVENUE		
Interest received on lawyers' trust accounts	\$3,469,260	\$2,541,476
Interest earned on investments	<u>341,857</u>	<u>263,744</u>
	<u>3,811,117</u>	<u>2,805,220</u>
ADMINISTRATIVE EXPENDITURES		
Advertising	-	11
Audit and legal	4,150	9,599
Bank charges	30	266
Board fees	14,500	9,285
Courier	1,062	860
Furniture and fixtures	4,397	3,987
Insurance	2,137	-
Leasehold improvements	11,776	-
Meeting expenses	2,946	1,806
Miscellaneous expense	2,688	-
Office, postage and telephone	12,015	11,611
Rent	7,477	5,692
Salaries and staff benefits	93,095	72,552
Travel	<u>4,850</u>	<u>3,740</u>
	<u>161,123</u>	<u>119,409</u>
EXCESS OF REVENUE OVER EXPENDITURES	3,649,994	2,685,811
GRANTS ALLOCATED DURING THE YEAR - Schedule 1	<u>3,010,261</u>	<u>2,317,176</u>
UNALLOCATED REVENUE FOR THE YEAR	639,733	368,635
UNALLOCATED REVENUE, BEGINNING OF YEAR	237,305	422,818
APPROPRIATION TO RESERVE FOR FUTURE GRANTS (Note 3)	<u>(346,926)</u>	<u>(556,148)</u>
UNALLOCATED REVENUE, END OF YEAR	<u>\$ 530,112</u>	<u>\$ 237,305</u>

THE MANITOBA LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1989

1. NATURE OF THE FOUNDATION

The Manitoba Law Foundation was established by Act of the Legislative Assembly of Manitoba and was assented to October 23, 1986. The Foundation receives interest earned on solicitors' trust accounts and from these funds; makes grants to organizations specified in the Act and grants to other organizations at the discretion of the Board of Directors.

The objects of the Foundation, as set out in the Act, are to encourage and promote:

- (a) legal education
- (b) legal research
- (c) legal aid services
- (d) law reform and
- (e) the development and maintenance of law libraries

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest on lawyers' trust accounts

Interest on lawyers' trust accounts is recorded in the Foundation's accounts when received.

The Law Foundation assumes that solicitors who hold funds in trust for or on account of clients comply strictly with Section 30.2 of the Law Society Act.

(b) Interest on short-term investments

Interest on short-term investments is recorded in the accounts on the accrual basis.

(c) Fixed assets

Expenditures for the purchase of furniture and fixtures are expensed in the year of acquisition.

(d) Grants

Pursuant to Section 65(1) of The Law Society Act, grants equal to 50% and 16.67% of the interest received on lawyers' trust accounts annually or \$1,007,629 and \$335,383 respectively whichever is greater, is to be paid to The Legal Aid Services Society of Manitoba and The Law Society of Manitoba respectively. Provision for such grants is recorded annually in the Foundation's accounts. In the event there are insufficient funds to meet these commitments, grants will be calculated on a pro rata basis and will be deemed to be in full satisfaction of the grant obligation.

Grants other than as described above are recorded in the Foundations's accounts in the year of authorization.

3. RESERVE FOR FUTURE GRANTS

The Board resolved in 1986-87 to set aside \$300,000 for a capital reserve and to add to that amount each year 10% of the revenues from interest paid on lawyers' general trust accounts until such time as the total reserve reaches the amount of \$1,250,000. The purpose of the capital reserve is to provide some stability during periods of revenue reductions. Accordingly, \$346,926 was added to the Capital Reserve in 1988-89 to bring the total amount to \$901,073. This amount is invested in secure investments maturing in periods not exceeding three years.

THE MANITOBA LAW FOUNDATION
SCHEDULE OF GRANTS ALLOCATED AND UNDISBURSED
YEAR ENDED MARCH 31, 1989

	<u>Allocated</u>	<u>Undisbursed</u>
PER SECTION 65(1) THE LAW SOCIETY ACT		
The Legal Aid Services Society of Manitoba	\$1,734,630	\$1,734,630
The Law Society of Manitoba	578,326	578,326
PER SECTION 79 THE LAW SOCIETY ACT		
The Public Interest Law Centre of The Legal Aid Services Society of Manitoba	200,000	-
The Legal Aid Clinic (Faculty of Law - University of Manitoba), The Legal Aid Services Society of Manitoba	60,000	-
Manitoba Association for Rights and Liberties	25,000	-
The Manitoba Law Reform Commission	100,000	-
Manitoba Bar Association	25,000	-
Legal Research Institute of the University of Manitoba	<u>50,000</u>	<u>-</u>
Carried forward	2,772,956	2,312,956

THE MANITOBA LAW FOUNDATION
SCHEDULE OF GRANTS ALLOCATED AND UNDISBURSED
YEAR ENDED MARCH 31, 1989

	<u>Allocated</u>	<u>Undisbursed</u>
Brought forward	\$2,772,956	\$2,312,956
PER SECTION 65(4) THE LAW SOCIETY ACT (DISCRETIONARY)		
(A) LEGAL EDUCATION		
1. PUBLIC LEGAL EDUCATION		
Canadian Mental Health Association, Winnipeg Division (Legal Education regarding new legislation)	17,500	8,750
Community Legal Education Association (Manitoba), Incorporated (General Operating Grant)	35,000	-
(Teacher Conference Travel Subsidy)	1,256	-
John Howard Society of Manitoba		
(Public Legal Education Programs Winnipeg)	5,000	-
(Young Offenders Project)	10,000	-
l'Institut Joseph Dubuc (Public Legal Education Programs)	16,000	13,000
Legal Education and Action Fund (Manitoba Newsletter)	1,776	-
Manitoba Action Committee on the Status of Women, Brandon (Child Sexual Abuse Reference Materials, Public Distribution)	1,400	-
Mediation Services, Training Program	<u>5,000</u>	<u>-</u>
Carried forward	2,865,888	2,334,706

THE MANITOBA LAW FOUNDATION
SCHEDULE OF GRANTS ALLOCATED AND UNDISBURSED
YEAR ENDED MARCH 31, 1989

	<u>Allocated</u>	<u>Undisbursed</u>
Brought forward	\$2,865,888	\$2,334,706
PER SECTION 65(4) THE LAW SOCIETY ACT (DISCRETIONARY) (continued)		
(A) LEGAL EDUCATION (continued)		
2. PROFESSIONAL DEVELOPMENT		
Canadian Bar Foundation (Canadian Bar Review)	5,000	-
Canadian Law Teaching Clinic (General Operating Grant)	2,000	-
University of Manitoba, Faculty of Law		
(Student Competition Support)	7,000	7,000
(Student Computer Training)	11,445	-
(Fund Raising Campaign - part refundable)	25,000	25,000
(Graduate Fellowship - 89/90 academic year)	15,000	15,000
Manitoba Law Journal (General Operating Grant)	7,500	-
Native Law Centre (General Operating Grant)	10,000	-
(B) LEGAL RESEARCH		
University of Manitoba, Faculty of Law (Legal Archives Maintenance)	3,500	-
Manitoba League of the Physically Handicapped (Employment Law Research)	10,000	-
(C) LEGAL AID SERVICES		
Community Unemployed Help Centre (Test Case Litigation Fund)	-	1,500
International Centre (English Legal Glossary for Translators)	<u>4,843</u>	<u>4,843</u>
Carried forward	2,967,176	2,388,049

THE MANITOBA LAW FOUNDATION
SCHEDULE OF GRANTS ALLOCATED AND UNDISBURSED
YEAR ENDED MARCH 31, 1989

	<u>Allocated</u>	<u>Undisbursed</u>
Brought forward	\$2,967,176	\$2,388,049
PER SECTION 65(4) THE LAW SOCIETY ACT (DISCRETIONARY) (continued)		
(D) LAW LIBRARIES		
Brandon University (Acquisitions for Law-Related Curriculum and Research)	3,000	-
University of Manitoba (E. K. Williams Law Library)	40,000	-
University of Winnipeg (Justice and Law Enforcement Collection)	3,000	-
(E) CANCELLED OR UNUSED GRANTS		
Manitoba Society of Seniors (Conference on Law and the over 55)	(693)	-
Faculty of Law - University of Manitoba (Computer Training for Law Students)	(2,000)	-
Community Unemployed Help Centre		
Resources Purchase	(122)	-
Staff Legal Seminar	(100)	-
	<u>\$3,010,261</u>	<u>\$2,388,049</u>

THE MANITOBA LAW FOUNDATION

SCHEDULE 2

SCHEDULE OF INVESTMENTS

	<u>MARCH 31, 1989</u>					
	<u>Original Cost</u>	<u>Premium or Discount</u>	<u>Maturity Date</u>	<u>Rates</u>	<u>Accrued Interest March 31, 1989</u>	<u>Market Value March 31, 1989</u>
Provincial treasury						
Term deposit	\$ 450,000	\$ -	May 15, 1989	10.92	\$ 18,260	\$ N/A
Term deposit	200,000	-	June 30, 1989	9.70	14,597	N/A
Term deposit	200,000	-	August 9, 1989	10.10	12,985	N/A
Term deposit	300,000	-	November 28, 1989	11.20	11,381	N/A
Term deposit	437,600	-	December 29, 1989	11.55	12,688	N/A
Term deposit	203,759	-	March 31, 1990	12.60	44	N/A
Midland Doherty						
CIBC Mortgage certificates	200,300	300	June 18, 1990	10.38	5,805	193,500
CIBC Mortgage certificates	491,250	(8,750)	December 12, 1990	9.87	15,383	483,200
Bank of Montreal acceptances	488,750	(11,250)	February 19, 1990	8.80	9,027	488,913
Royal Bank acceptances	150,187	187	August 12, 1991	10.70	2,443	147,750
Royal Bank acceptances	50,063	63	August 12, 1991	10.70	918	49,250
Government of Canada Bonds	199,500	(500)	March 5, 1991	11.00	1,592	197,400
Wood Gundy						
Prince Edward Island Strip Coupons	45,188	(11,687)	December 22, 1990	N/A	3,167	46,381
Prince Edward Island Strip Coupons	21,464	(6,973)	June 22, 1991	N/A	1,561	24,616
Royal Bank						
Royal Bank acceptances	200,520	520	May 24, 1990	10.25	7,019	196,000
	<u>\$3,638,581</u>				<u>\$116,870</u>	

THE MANITOBA LAW FOUNDATION

The Manitoba Law Foundation was established by the Legislature through amendments to *The Law Society Act* which came into effect on 23 October 1986. Financial institutions must pay to the Foundation interest on general trust accounts maintained by lawyers practising in Manitoba. This does not include the interest paid on specific trust investments held for individual clients. General trust deposits are usually held by lawyers in circumstances where the administrative cost of segregating the funds would exceed the interest payable to individual clients.

OBJECTIVES

The legislation establishing the Foundation spells out the purposes for which its money can be used. The objects of the Foundation are to encourage and promote:

- (a) legal education;
- (b) legal research;
- (c) legal aid services;
- (d) law reform; and
- (e) the development and maintenance of law libraries.

ADMINISTRATION

The Foundation's affairs are administered by a Board of Directors consisting of ten members. Five members are appointed by the Attorney General; three are appointed by the Benchers of The Law Society of Manitoba; one is appointed by the president of the Manitoba Bar Association; one is the Dean of the Faculty of Law, University of Manitoba or a member of the Faculty appointed by the Dean. The Attorney General designates one of the directors as Chairperson and another as Vice-Chairperson. The Board meets regularly to decide on grant applications and policy matters including the collection and investment of revenues. A small staff is employed to take care of administrative matters and to advise prospective applicants for funding.

FUNDING GUIDELINES

A summary of the Foundation's granting policy and application forms is available from the Executive Director. In general, projects must fall within the stated objectives as interpreted by the Board of Directors. There are no limits on the amount of grants, but all grants are subject to the availability of funds. The grants mandated by legislation have a prior claim.

The Foundation is willing to fund projects that are creative and innovative as long as they fit its objectives and benefit the public interest.

APPLICATION PROCEDURES

Potential applicants first contact the Foundation office to discuss a proposal and obtain the necessary application forms. Applications are normally considered in May and October each year. In May applications submitted prior to the end of March are considered; in October applications submitted prior to the end of August are considered. Assistance in the preparation of applications is available from Foundation staff. It is the Board of Directors, however, who make all decisions on funding.

Along with the application forms prospective applicants receive a memorandum to assist in the completion of the package of written materials required by the Board in order to make its decision. Twelve copies of the completed proposal are required.

OBLIGATIONS OF GRANT RECIPIENTS

Grant recipients are required to confirm their obligations by letter in a form approved by the Foundation's Board. Generally, grant recipients must agree to spend the grant money as specified in their application or any variation approved in writing by the Foundation. Funds not spent in accordance with the letter of agreement must be refunded to the Foundation.

The Board of Directors of the Foundation has approved an Evaluation Policy. A memorandum specifying reporting requirements is available from the Foundation office. An independent auditor's report is required unless the Foundation specifically agrees that it is not required.